Australian Bureau of Statistics

6530.0 - Household Expenditure Survey, Australia: Summary of Results, 1998-99

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ABS survey gives snapshot of pre-GST spending patterns

Almost half the money that Australian households spend on goods and services goes on food, housing and transport, according to a major survey released today by the Australian Bureau of Statistics (ABS).
The latest Household Expenditure Survey (HES) showed the average Australian household spent $699 per week on goods and services in 1998-99, an increase of 16 per cent ($97 per week) from the previous 1993-94 survey. In contrast, prices as measured by the consumer price index (CPI) increased by 10 per cent, indicating a rise in real living standards over the five years.

Spending by low income households increased by 13 per cent compared with an increase of 18 per cent in high income households. The difference is at least partly explained by changing household sizes. The lowest income households are smaller than five years ago, whereas the highest income households are larger.

The survey also found that:

- On average, households spent 18 per cent of total goods and services expenditure on food and non-alcoholic beverages ($127 a week), 17 per cent of the total on transport ($118) and 14 per cent on current housing costs, including rent, rates and interest payments on mortgages ($97).
- Some of the most significant spending increases over the five year period were on motor vehicle purchases (up 57 per cent), education fees (up 50 per cent), child care (up 40 per cent) and rent (up 18 per cent).
- Between 1993-94 and 1998-99, spending on clothing and footwear fell by 5 per cent. Notably, the CPI recorded no price change for clothing over this period.
- Households averaged $32 a week on medical care and health expenses. Within this category, the largest expenditure was in the areas of private health and accident insurance ($13 a week) and health practitioners' fees ($10 a week).
- Households spent an average of $89 a week on recreation (13 per cent of total expenditure).

The survey examined spending by different groupings of households. Here are some of the key findings:

Low and high income households: Households in the lowest income quintile (the 20 per cent of households with the lowest levels of household income) spent on average $343 a week on total goods and services. Households in the top income quintile spent an average of $1,171 a week, or nearly three and half times as much. Differences were most noticeable in the areas of transport and recreation, where spending by the top quintile was nearly four and half times as high as spending in the lowest quintile.

Rural and metropolitan areas: Average spending by households in rural areas ($616) was less than in capital cities ($747). Rural households spent considerably less per week on housing, food, clothing, footwear, and recreation than those in capital cities. Only in the category of transport did rural households spend more per week ($127) than households in capital cities ($123). This included purchase of vehicles, petrol and other motor fuels, vehicle servicing and fares (other than for holiday travel). However, rural households also had lower average gross incomes ($697 a week) than those in capital cities ($957 a week).

Families and households: Lone person households and one parent households had the lowest average household incomes and expenditures of all household types.

The Household Expenditure Survey was conducted between July 1998 and June 1999 and collected detailed expenditure information from about 7,000 households throughout Australia. The results from this survey, together with those from the next HES, to be carried out in 2003-04, will provide a "before and after" picture of expenditure with respect to The New Tax System.

Details are in **Household Expenditure Survey, Australia: Summary of Results, 1998-99** (cat. no. 6530.0) and in

tabulations at the summary and detailed level. The publication is available from ABS bookshops in all capital cities. The key points from the publication can be found on ths site. If you wish to purchase a copy of this publication, contact the ABS Bookshop in your capital city.

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